



Technical Analysis

26 February 2004

POINTS OF VIEW

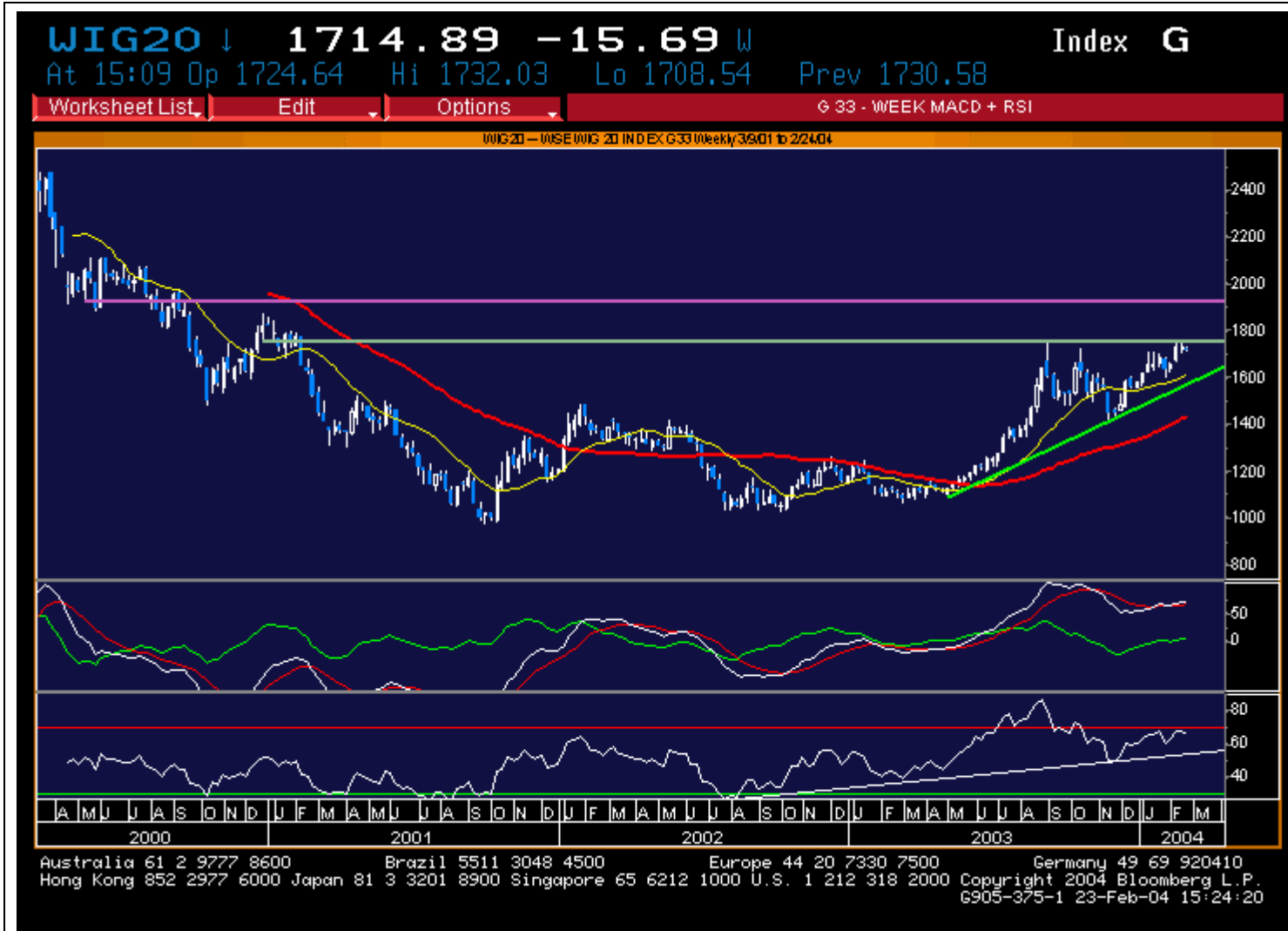
EAST-EUROPEAN LARGE CAPS

<u>POLAND</u>			<u>CZECH REPUBLIC</u>			<u>HUNGARY</u>		
STOCK	Previous recommendat	Current recommendat	STOCK	Previous recommendat	Current recommendat	STOCK	Previous recommendat	Current recommendat
AGORA		Buy weakness	CESKE RAD		Take Profits	MATAV		Neutral*
BRE BANK		Neutral*	CESKY TEL		Buy	MOL		Sell Strength
COMPUTERL		Take profits	CEZ		Take Profits	OTP BANK		Sell Strength
KGHM P MIED		Take profits	ERSTE BK		Stay long/stop	G RICHTER		Stay long/stop
MILLENIU		Stay long/stop	KOMERCNI		Take profits			
ORBIS		Neutral	PHIL MORR		Take profits	<u>RUSSIA</u>		
PEKAO		Neutral	UNIPETROL		Neutral*			
P KONC NAFT		Buy weakness				GAZPROM		Take profits
PROKOM SOF		Buy weakness				NORILSK		Stay long/stop
PRZEMYSLO		Stay long/stop				LUKOIL		Stay long/stop
SOFTBANK		Buy				SURGUT		Take profits
TELEKOM PO		Buy weakness				UES		Neutral*
ZACHODNI		Sell Strength				YUKOS		Sell Strength

* Neutral: in trading range – watch parameters

Note: all charts are weekly's

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WEEKLY CHART

Trend: UP
 Major resistance: 1850/1920
 Initial resistance: 1760/90
 Initial support: 1590
 Major support: 1409

The price reached the initial resistance area and momentum starts to weaken on the weekly and daily charts, suggesting a larger pullback is on its way.

The technical picture on the monthly chart still looks healthy. Thus, as long as the pullback stays above 1590, further strength will likely be seen afterwards towards the major resistance area.

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MONTHLY CHART

Trend: UP
Major resistance: 760 - 855
Initial resistance:
Initial support: 610.50
Major support: 530

The index as reached the major resistance zone 730/60. A break above this area would bring the index into more or less uncharted territory, as only two months of trading are left on the chart (from 1994).

Technical indicators are getting overextended on the monthly (rsi 78), the weekly (rsi 82) and daily chart (rsi 82). You should be in no rush to buy this index; better opportunities will present themselves over time.

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WEEKLY CHART

Trend: UP
Major resistance: 10492.50
Initial resistance: 10279
Initial support: 9398
Major support: 9000

As can be seen on this chart, a negative divergence is building up between the price (makes a new high) and the technical indicators (which do not make a new high).

A pullback is likely; as long as the index can stay above 9000/9398 (includes grey line), it is highly likely the trend will extend towards the all-time high [10492.5), major resistance on the monthly chart. A break under this level leaves a more bearish impression.

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MONTHLY CHART

Trend: UP
Major resistance: 1215
Initial resistance: 1155
Initial support: 1037
Major support: 960

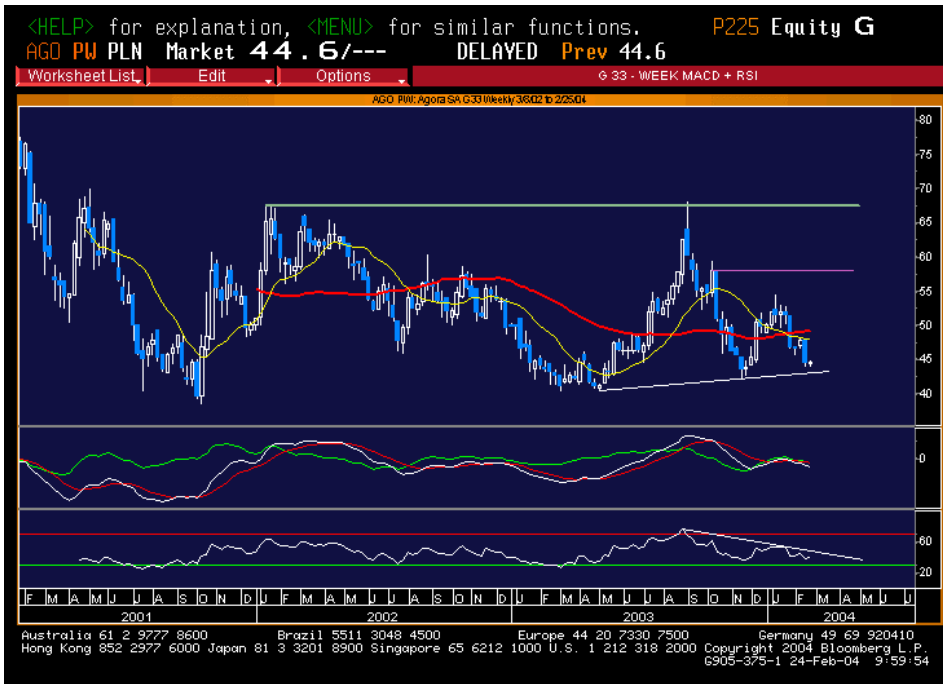
The monthly chart is somewhat overbought and momentum starts to weaken on the weekly chart (negative divergence).

The index is getting closer to a top. A pullback towards Initial support 1037 should be observed. A break below this level is a warning and indicates a larger pullback towards 960 is at hand.

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AGORA



Trend: DOWN

RECOMMENDATION: BUY WEAKNESS with stop 42

Initial support: 42/43

Initial resistance: 48.20

Major support: 38.60

Major resistance: 54.50-58.00

Commentary: A decline into the 42/43 area looks like a buying opportunity for a corrective rally towards initial resistance. Trend is down, thus place and watch stop.

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BRE BANK



Trend: SIDEWAYS

RECOMMENDATION: NEUTRAL

Initial support: 90.00

Initial resistance: 96/97.80

Major support: 87.20

Major resistance: 102.50-108.00

Commentary: Unclear, this stock may be tracing out a triangle pattern; watch parameters 87.20 and 97.80; the break of one of these levels points to the next big move.

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COMPUTERLAND



Trend: UP -- getting toppish

RECOMMENDATION: TAKE PROFITS

Initial support: 94/101.50

Initial resistance: 112.20

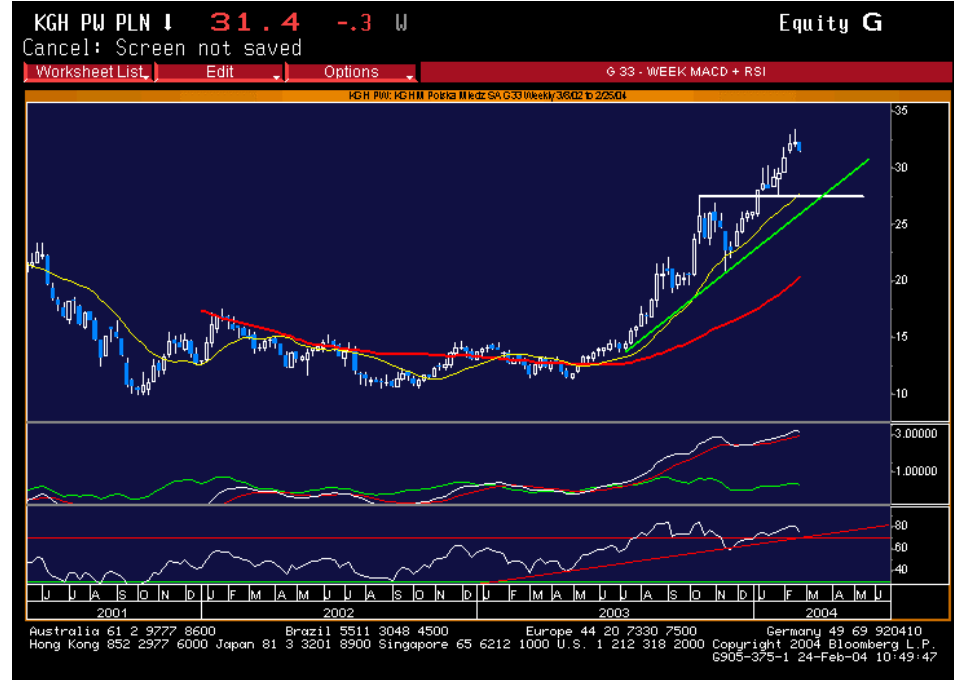
Major support: 89.00

Major resistance: 119.00

Commentary: Weekly technical indicators overbought and the daily's turning down near strong trend line (grey); an opportunity to take profits.

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KGHM POLSKA MIEDZ



Trend: UP

RECOMMENDATION: TAKE PROFITS

Initial support: 27.40/28.60

Initial resistance: 33.40

Major support: 20.70

Major resistance: 34/36

Commentary: Negative divergence on this weekly chart indicates loss of momentum and test of previous resistance, now support [27.40]. The trend may resume from that level.

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BANK MILLENIUM



Trend: SIDEWAYS

RECOMMENDATION: STAY LONG with stop 2.75

Initial support: 2.75

Initial resistance: 3.07/11

Major support: 2.60

Major resistance: 3.25-3.59

Commentary: As long as the price remains above 2.70, further rally is likely towards 3.07/11, levels to take profits.

Weakness below 2.70 is VERY negative.

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ORBIS



Trend: SIDEWAYS

RECOMMENDATION: NEUTRAL

Initial support: 24.10

Initial resistance: 26.90

Major support: 23.40

Major resistance: 28.70

Commentary: Looks like a large, bullish triangle pattern. Price cannot drop under 23.40 if this is true. Strength above 26.90 increases the odds a 7 Zloty rally is going to take place.

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BANK PEKAO

POLSKI KONCERN NAFTOWY ORLEN



Trend: UP

RECOMMENDATION: NEUTRAL – watch parameters

Initial support: 113.00

Initial resistance: 128.50

Major support: 107/8

Major resistance: 133.50

Commentary: A pullback towards initial support looks likely over the next weeks; probably a buying opportunity for a rally towards 130/2. (possible triangle pattern between blue lines)

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Trend: UP

RECOMMENDATION: BUY WEAKNESS with stop 25.50

Initial support: 25.50/90

Initial resistance: 28.80

Major support: 20.80-22.70

Major resistance: 31/32

Commentary: Good looking chart; a larger pullback in the direction of initial support looks likely but is probably a buying opportunity. Stop around 25.50.

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PROKOM SOFTWARE

BANK PRZEMYSLOWO-HANDLOWY PBK



Trend: UP

RECOMMENDATION: BUY weakness with stop 172

Initial support: 184/7.50

Initial resistance: 196.50

Major support: 172-180

Major resistance: 205/7

Commentary: Good looking chart. Pullback to supports is likely though to alleviate overbought technical indicators. Buying opportunity for rally to 230.

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Trend: UP

RECOMMENDATION: STAY LONG with stop at 360

Initial support: 360

Initial resistance: 392

Major support: 313.50

Major resistance: 410/25

Commentary: Odds are good this stock is tracing out a rising wedge pattern. The current decline would represent the 4th wave (of 5). Another challenge of the highs would follow.

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SOFTBANK

TELEKOMUNIKACJA POLSKA



Trend: UP

RECOMMENDATION: BUY with stop 24.30

Initial support: 25.60

Initial resistance: 28.30

Major support: 24.30

Major resistance: 33.70

Commentary: The decline from the September 2003 high looks corrective and a resumption of the uptrend may be about to start. Buy around these levels, but respect the stop.

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Trend: NEUTRAL

RECOMMENDATION: BUY WEAKNESS with stop 15.60

Initial support: 15.60

Initial resistance: 17.10

Major support: 14.80

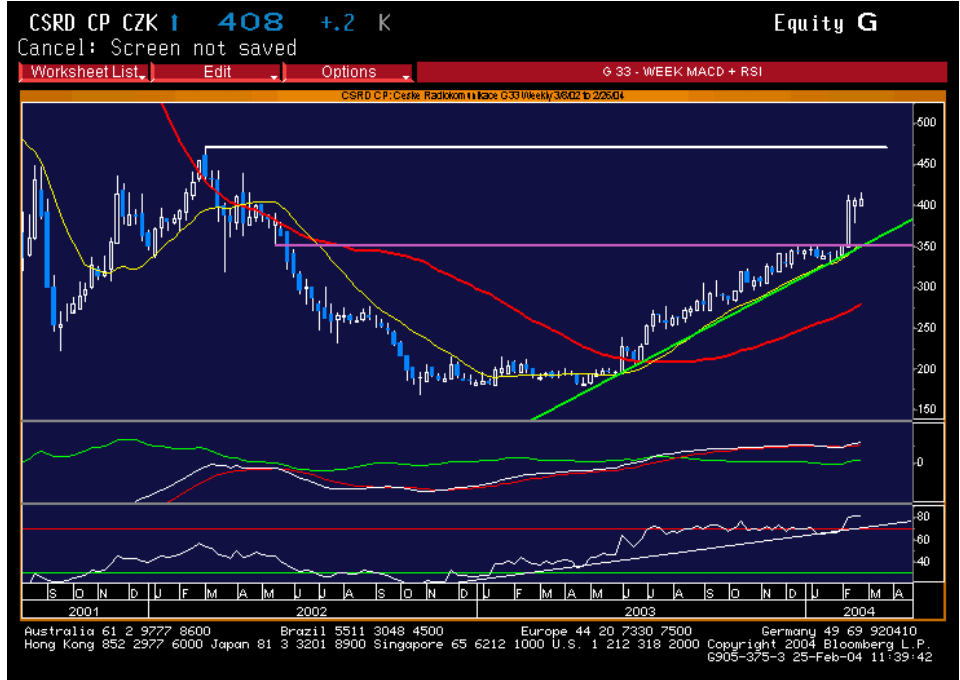
Major resistance: 18.70

Commentary: Negative divergence on the daily chart suggests a pullback towards initial support. However, as long as it holds there may be some more juice in it (rally to major resistance)

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BANK ZACHODNI WBK

CESKE RADIOKOMUNIKACE



Trend: UP

RECOMMENDATION: SELL STRENGTH with stop 89.50

Initial support: 78.90

Initial resistance: 85/87

Major support: 73.50

Major resistance: 89.50

Commentary: It is highly likely this stock set a major top in September 2003 and is about to start a large leg down. A bounce to 85/87 over the next weeks is a selling opportunity.

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Trend: UP

RECOMMENDATION: TAKE PROFITS

Initial support: 380

Initial resistance: 416 - 439

Major support: 352 - 362/7

Major resistance: 470

Commentary: This stock is quite overbought on the weekly and daily chart. A pullback is highly likely, if not more.

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CESKY TELECOM



Trend: NEUTRAL

RECOMMENDATION: BUY with stop 294

Initial support: 294/9.50

Initial resistance: 315

Major support: 281.50

Major resistance: 321/37

Commentary: There is room for a final move up to 337 over the next month or so. Strength above 315 confirms. Take profits near the upper end of the major resistance area.

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CEZ



Trend: UP

RECOMMENDATION: TAKE PROFITS

Initial support: 164.70/166

Initial resistance: 184/7

Major support: 151.50

Major resistance: 200

Commentary: This stock has entered a blow-off phase and technical indicators are strongly overbought. Can go higher as long as above 164.70, suggest to take some profits.

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ERSTE BANK



Trend: UP

RECOMMENDATION: STAY LONG with stop 3470

Initial support: 3470

Initial resistance: 3715/50

Major support: 3314

Major resistance: 3920/50

Commentary: Technical indicators are overextended. Daily technical indicators show a negative divergence. Pullback likely, take some profits; as long as above 3470 the trend is up

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KOMERCNI BANKA



Trend: UP

RECOMMENDATION: TAKE PROFITS

Initial support: 2736/70

Initial resistance: 2939

Major support: 2527

Major resistance: 3000

Commentary: The price is at the upper end of a trend channel and technical indicators are overextended. Retest of channel (3000) likely but watch support 2736/70 carefully. Take profits

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PHILIP MORRIS



Trend: UP

RECOMMENDATION: TAKE PROFITS

Initial support: 17050

Initial resistance: 18430

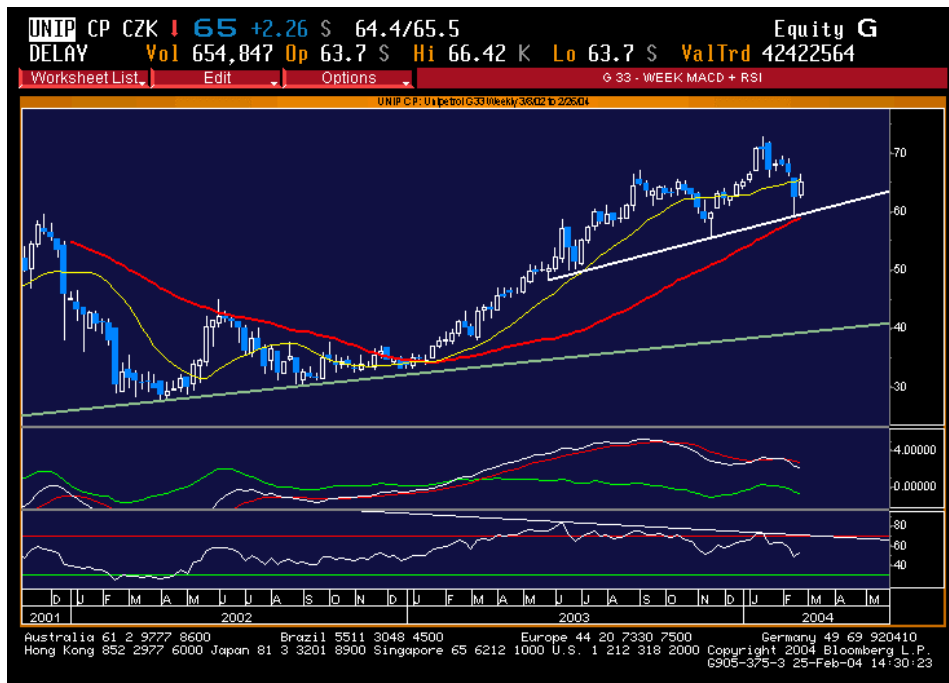
Major support: 15700

Major resistance: 19000

Commentary: The price is at the upper end of a trend channel and technical indicators are overextended. Upside limited; take profits soon

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UNIPETROL



Trend: UP

RECOMMENDATION: NEUTRAL

Initial support: 61.95

Initial resistance: 69.50

Major support: 59.30

Major resistance: 76.20

Commentary: Unclear, may have topped at the recent high. A drop under 61.95 would be a bearish sign. Strength above 69.50 on the other hand is bullish.

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MATAV MAGYAR TAVKOSLES!



Trend: SIDEWAYS
RECOMMENDATION: NEUTRAL - downward bias
 Initial support: 765/80 Initial resistance: 855
 Major support: 704 Major resistance: 932

Commentary: This stock has traded between 700 and 930 for almost two years. Break of parameters 765 or 855 will announce the next bigger move.

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MOL MAGYAR OLY-ES GAZIPARI



Trend: UP – turning down
RECOMMENDATION: SELL STRENGTH
 Initial support: 6500 Initial resistance: 6725/6800
 Major support: 5800 - 6290 Major resistance: 6925

Commentary: A corrective rally towards 6725/6800 is a selling opportunity for a larger decline towards 6290, possibly lower.

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OTP BANK



Trend: UP

RECOMMENDATION: SELL STRENGTH

Initial support: 3121/3200

Initial resistance: 3415

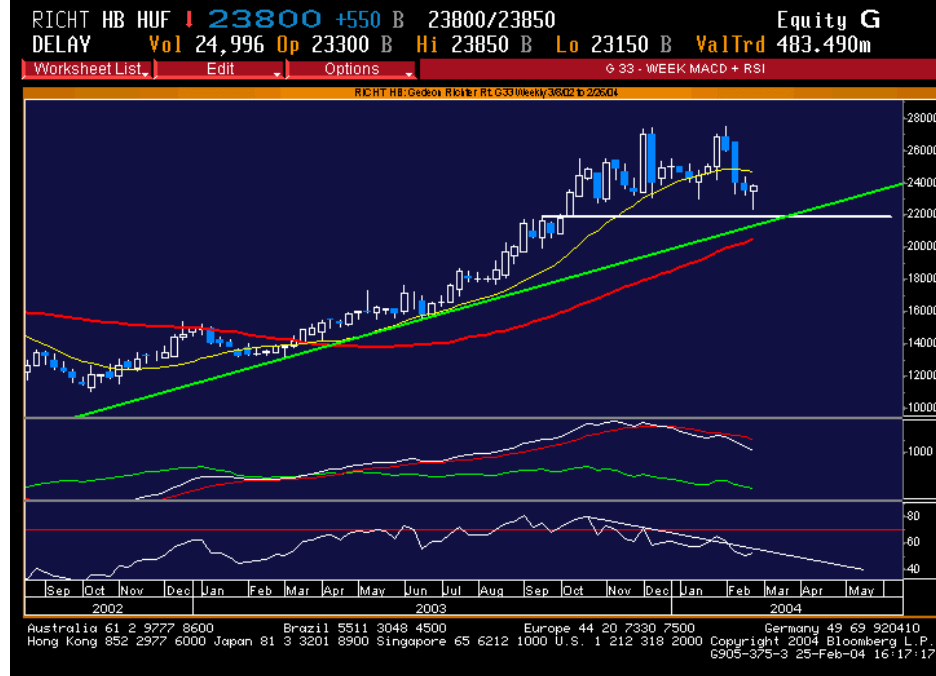
Major support: 2867

Major resistance: 3430/70

Commentary: The trend is up in the direction of trend channel resistance. This stock will most likely top out soon. A drop under 3121 confirms.

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GIDEON RICHTER



Trend: UP

RECOMMENDATION: STAY LONG with stop 22350

Initial support: 22350

Initial resistance: 24800/25500

Major support: 21150

Major resistance: 27450

Commentary: Another test of the all-time high may be seen if the price can move above 24800/25500 resistance. Respect the stop; a drop under this level creates a major top.

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GAZPROM



Trend: UP

RECOMMENDATION: TAKE PROFITS over the next month

Initial support: 28.75 – 30.80

Initial resistance: 32.75

Major support: 26.50

Major resistance: 33.30/34.00

Commentary: Technical indicators are getting overextended and momentum is lagging. After test of major resistance over the next month a large pullback will start (to initial support)

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MMC NORILSK NICKEL



Trend: UP

RECOMMENDATION: STAY LONG with stop at 67.30

Initial support: 67.30

Initial resistance: 72.30

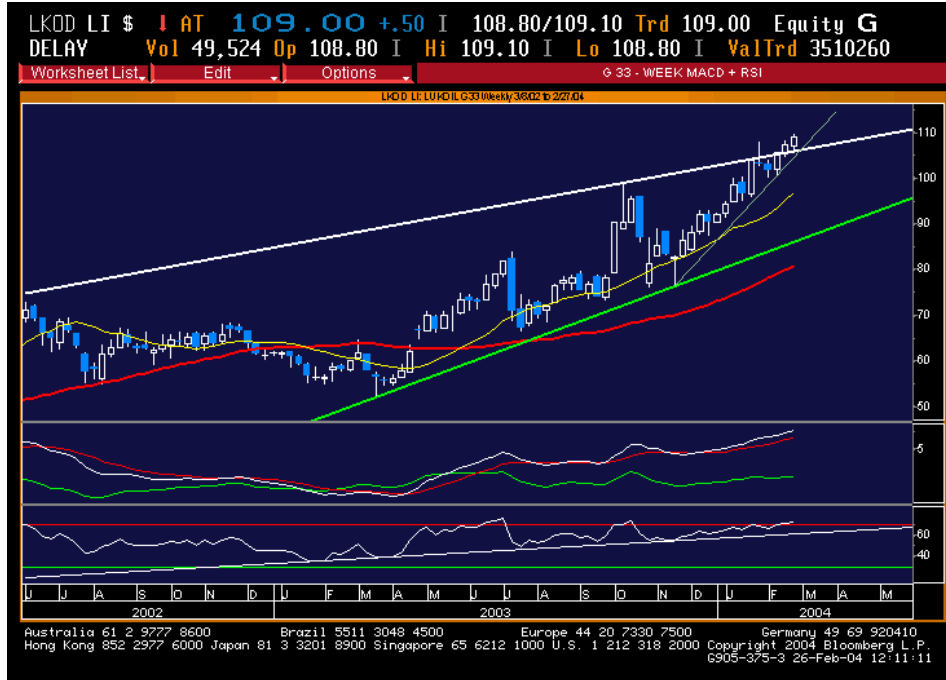
Major support: 64.80

Major resistance: 80.50

Commentary: Another leg up in the direction of 80 looks likely before a large correction is going to take place. Take profits around that level.

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LUKOIL



Trend: UP

RECOMMENDATION: STAY LONG with stop at 105.70

Initial support: 105.70

Initial resistance: 114.50

Major support: 95-100

Major resistance: 118/122

Commentary: Technical indicators are overextended and negative divergence is building up on the daily chart. Further strength towards initial resistance is likely but watch support.

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SURGUTNEFTEGAZ



Trend: UP

RECOMMENDATION: TAKE PROFITS

Initial support: 29.30

Initial resistance: 31.50/32

Major support: 23/25

Major resistance: 33.50

Commentary: The price has entered a very strong resistance zone and technical indicators are getting overbought. Would use this charge up to lighten positions.

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UNIFIED ENERGY SYSTEM



Trend: UP

RECOMMENDATION: NEUTRAL – watch parameters

Initial support: 29.40 Initial resistance: 32.85
Major support: 25.75/26.25 Major resistance: 34.65

Commentary: As long as the price stays below 32.85, odds are high a triangle pattern is developing. With break of 29.40, look for weakness (major support area). Above 32.85 is bullish.

YUKOS



Trend: UP

RECOMMENDATION: SELL STRENGTH

Initial support: 48.00 Initial resistance: 52.00
Major support: 43.75/45.20 Major resistance: 53.00/56.50

Commentary: This stock is correcting the decline from the all-time high. Current up tick is nearly finished (max. major resistance). Next leg down draws below 39.00.

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